

**MINUTES
OF THE REGULAR MEETING OF THE
EDINA CITY COUNCIL
HELD AT CITY HALL
MARCH 4, 2014
7:00 P.M.**

I. CALL TO ORDER

Mayor Hovland called the meeting to order at 7:07 p.m.

II. ROLL CALL

Answering rollcall were Members Bennett, Brindle, Sprague, Swenson and Mayor Hovland.

III. MEETING AGENDA APPROVED

Member Bennett made a motion, seconded by Member Sprague, approving the meeting agenda.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

IV. CONSENT AGENDA ADOPTED

Member Swenson made a motion, seconded by Member Sprague, approving the consent agenda as follows:

IV.A. Approve regular and work session meeting minutes of February 18, 2014

IV.B. Receive payment of the following claims as shown in detail on the Check Register dated February 20, 2014, and consisting of 29 pages; General Fund \$184,336.03; Police Special Revenue \$585.50; Working Capital Fund \$53,757.84; Art Center Fund \$2,692.41; Golf Dome Fund \$111,021.78; Golf Course Fund \$12,415.05; Ice Arena Fund \$14,439.46; Edinborough Park Fund \$5,548.37; Centennial Lakes Park Fund \$3,997.67; Liquor Fund \$212,069.16; Utility Fund \$45,697.71; Storm Sewer Fund \$37.24; PSTF Agency Fund \$3,690.49; Payroll Fund \$2,962.60; TOTAL \$653,251.31 and for receipt of payment of claims dated February 27, 2014, and consisting of 23 pages; General Fund \$135,812.90; Working Capital Fund \$53,483.17; Art Center Fund \$1,592.33; Golf Dome Fund \$10,237.44; Aquatic Center Fund \$24.69; Golf Course Fund \$1,199.76; Ice Arena Fund \$9,911.54; Edinborough Park Fund \$1,355.55; Centennial Lakes Park Fund \$4,475.01; Liquor Fund \$145,662.47; Utility Fund \$43,780.11; PSTF Agency Fund \$50.00; Centennial TIF District \$20,442.06; Grandview TIF District \$3,500.00; Payroll Fund \$6,169.87; TOTAL \$437,696.90

IV.C. Request for Purchase, Premium Efficiency Boiler Lochinvar KBX400, Edinborough Park, awarding the bid to the recommended low bidder, Horwitz NSI at \$34,322

IV.D. Request for Purchase, Toro 4500-D Mower, Braemar Golf Course, awarding the bid to the recommended low bidder, MTI Distributing at \$47,447.82

IV.E. Request for Purchase, Toro 3500-D Mower, Braemar Golf Course, awarding the bid to the recommended low bidder, MTI Distributing at \$25,073.18

IV.F. Request for Purchase, Asphalt and Concrete Crushing, Public Works, awarding the bid to the recommended low bidder, Jay Johnson Construction at \$3.25 per ton

IV.G. Request for Purchase, Aquatic Vegetation Management, Contract No. ENG 14-2NB, awarding the bid to the recommended low bidder, Lake Management, Inc. at \$31,675.00

IV.H. Approve Waiver of Trespass/Right of Entry Agreement for 7101 France Avenue, Rue de France

IV.I. Approve On-Sale Intoxicating, Club On-Sale, and Sunday Sale, Wine and Beer Liquor License Renewals as follows: On-Sale Intoxicating & Sunday Sale: Big Bowl, Cocina Del Barrio, Crave Restaurant, Eden Avenue Grill, Edina Grill Restaurant, Lake Shore Grill, McCormick &

Schmick Seafood Restaurant, Mozza Mia, Nakomori Japanese Bistro, P.F. Chang's Bistro, Pinstripes, Inc., Pittsburgh Blue, Raku, Inc., Rojo Mexican Grill, Romano's Macaroni Grill, Ruby Tuesday, Salut Bar Americain, Tavern on France, The Cheesecake Factory, and Westin Edina Galleria; Club & Sunday Sale: Edina Country Club and Interlachen Country Club; On-Sale Wine and On-Sale 3.2 Beer: Beaujo's, Biryani, Chipotle Mexican Grill, Crooks of Crocus Hill, D'Amico & Sons, Good Earth Restaurant, Makers Café 1, Hello Pizza, Marriott Residence Inn, Noodles & Company, People's Organic Coffee/Wine Galleria Café, Red's Savoy Pizza, Rice Paper Asian Fusion Restaurant, Smashburger, and TJ's of Edina Restaurant; On-Sale 3.2 Licenses: Chuck E. Cheese's and Davanni's Pizza/Hoagies; and, Off-Sale 3.2 Licenses: Cub Foods, DB Convenience LLC (Edina Market & Deli), Holiday Stationstore #217, Jerry's Foods, and Speedway SuperAmerica LLC

IV.J. Authorize City Council Members to Attend the 2014 Congressional Cities Conference of the National League of Cities

Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

V. SPECIAL RECOGNITIONS AND PRESENTATIONS

None.

VI. PUBLIC HEARINGS HELD – Affidavits of Notice presented and ordered placed on file.

VI.A. SUBDIVISION, 6304 AND 6312 WARREN AVENUE, HOMESTEAD PARTNERS – RESOLUTION NO. 2014-25 – ADOPTED

Community Development Director Presentation

Community Development Director Teague presented the request of Homestead Partners LLC to subdivide properties at 6304 and 6312 Warren Avenue into three lots. The existing two homes would be torn down and three new homes built on the new lots. He advised that the proposal meets all minimum lot size requirements. Lots 1 and 2 would gain access off 63rd Street and Lot 3 would gain access off Warren Avenue. Mr. Teague reviewed the revised landscape plan to accommodate the neighborhood's input. He advised of the Planning Commission's unanimous recommendation for approval subject to findings and conditions as detailed in the February 12, 2014 staff memorandum.

Mr. Teague and City Engineer Millner answered questions of the Council relating to the species of trees that would be saved as a result of relocating the utility lines, alignment of underground utilities, one-day Wyman Bridge closure, curb cuts, placement of driveways, and buildable area.

Proponent Presentation

Matthew Hanish, 635 Danube Avenue, Shakopee, representing Homestead Partners, assured the Council that boulevard trees would be saved to the extent possible. He stated Mr. Bona had contacted the resident who voiced concerns at the public hearing.

Mayor Hovland opened the public hearing at 7:21 p.m.

Public Testimony

Jerry Erickson, 6325 Mildred Avenue, addressed the Council.

Member Swenson made a motion, seconded by Member Sprague, to close the public hearing.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

The Council addressed issues raised during public testimony and discussed the conditions of approval.

Member Swenson introduced and moved adoption of Resolution No. 2014-25, Approving a Preliminary Plat at 6304 and 6312 Warren Avenue, subject to the following conditions:

- 1. The City must approve the final plat within one year of preliminary approval or receive a written application for a time extension or the preliminary plat will be void.**
- 2. Park dedication fee of \$5,000 must be paid prior to release of the final plat.**
- 3. Prior to issuance of a building permit, the following must be submitted:**
 - a. Submit evidence of Nine Mile Creek Watershed District approval. The City may require revisions to the preliminary plat to meet the District's requirements.**
 - b. Curb-cut permits must be obtained from the Edina Engineering Department.**
 - c. A grading plan subject to review and approval of the City Engineer is required for each building permit. There shall be no increase in flow volume or peak rate to adjacent property.**
 - d. A construction management plan will be required for the construction of the new homes.**
 - e. Utility hook-ups are subject to review of the City Engineer.**
- 4. Final site development shall be consistent with preliminary plat, landscape plan, drainage plan, and utility plan date stamped 2-24-14.**
- 5. Should boulevard trees die during construction of the new homes, they must be replaced one for one.**
- 6. No boulevard tree shall be removed for the location of new driveways.**

Member Bennett seconded the motion.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VI.B. GOLF COURSE OPERATIONS – FRED RICHARDS GOLF COURSE – TABLED TO MARCH 18, 2014

Parks & Recreation Director Presentation

Manager Neal and Parks & Recreation Director Kattreh provided a review of past considerations related to the City's Golf Enterprise and presented the Golf Course Operations Study, findings, and six-step strategy to narrow the scope of golf operations; invest in improvements at Braemar Golf Course; modify prices and discounts; outsource ancillary services; expand marketing; and, improve customer services. A slide was displayed depicting future significant non-budgeted expenses at Fred Richards Golf Course. The recommendation of the Park Board was presented to support the golf operations proposal and close Fred Richards Golf Course.

In response to the Council's question, Mr. Neal commented on the importance of protecting the City's AAA bond rating, which was enjoyed by less than 6% municipalities nationwide, and negative impact relating to the City's golf operation and accumulated deficit. Mr. Neal described the state statute "Edina Law," which allowed the City to borrow money without public referendum for recreation enterprises as long as the pooled finances of the enterprises covered operating expenses. Again, the golf operating deficit impacted the City's ability to borrow money for improvements to recreational facilities.

Ms. Kattreh stated for the last twenty years there had been a significant bond payment for Fred Richards Golf Course and if that debt payment was not factored in, operations reached a break-even point. However, there was \$50,000 in unallocated expenses (supplies, staffing) not currently being charged to Fred Richards Golf Course. Staff recommended focusing the City's resources to one golf campus. With regard to maintenance at Fred Richards Golf Course, one of the challenges was soft

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soils comprised of peat, causing undulation in the turf and non-buildable soils. Ms. Kattreh explained how overall capacity was analyzed for Braemar and Fred Richards Golf Courses and the estimated number of golf holes that were available in surrounding communities.

Assistant Finance Director Roggeman displayed a graphic depicting the Golf Fund Baseline Scenario and explained how cost recovery percentages (revenues over expenses) were determined. He indicated there was currently a negative \$1 million cash balance in the Golf Fund and the analysis assumed the Golf Fund would continue to receive a subsidy totaling \$500,000 per year. Mr. Roggeman then presented a baseline scenario with the Fred Richards Golf Course closed that showed an 87% cost recovery in 2020; and, a baseline scenario with the six strategies in place that showed a 101% cost recovery in 2020 with the cash balance going positive in 2018-2019. He displayed a ten-year history of the Golf Course Cash and Investment Account showing a negative balance of \$1 million. It was noted the liquor operation had a liquidity of 4-5% (current assets over current liabilities). The Council acknowledged that for many years, the City had subsidized four separate recreation enterprises. The Council asked about the impact to the Construction Fund balance and deficit that would be faced in 2015. Mr. Roggeman stated there were more projects for the Construction Fund than dollars available so the more subsidies provided to the enterprises, the fewer dollars available for long-term capital improvements.

Ms. Kattreh described golfing programs that would be developed at Braemar for families, juniors, and women. She indicated Braemar had capacity to accommodate those groups and proposed changes to the Braemar Club House would create a more welcoming environment for all. Ms. Kattreh stated with the proposed investment, Braemar would become the best training facility in the State in terms of the driving range and golf dome by accommodating golfers year round in a variety of programs. She explained the "Tee It Forward" program, sponsored by the US Golf Association, and described use of the Clunie Nine.

The Council assured the public that the consideration to close the Fred Richards Golf Course had nothing to do with Hillcrest Development or the commercial property to the south. There was no intent to sell this property, should Fred Richards Golf Course be closed, or install a north/south roadway. This land would remain greenspace/park. In addition, the Pentagon Park project had no impact on this consideration and would proceed on its own merits and Council action.

The Council noted that in 2011, the National Golf Foundation raised concern that the executive courses at Braemar and Fred Richards competed with each other so a redesign was proposed to have a Par 3 at Braemar. Ms. Kattreh stated staff had prepared financial projections for the redesigned Par 3 and that data was part of the overall number of rounds when determining capacity.

The Council asked questions of staff relating to revenues that would be generated under different scenarios including having a Par 3 at Braemar and an executive course at Fred Richards. Ms. Kattreh stated staff had not prepared a projection on that scenario but did run scenarios with increasing marketing, increasing rates, different driving range scenarios, outsourcing the pro shop and/or restaurant, and reducing staff. She explained that staff's analysis started with how to cover 100% of operating and capital costs and combinations of variables to determine the scenario that resulted in the highest cost recovery percentage in the long run.

Mayor Hovland opened the public hearing at 8:45 p.m.

Public Testimony

Wayde Heirigs, 4529 Gilford Drive, addressed the Council.

Derek Johnson, 7421 West Shore Drive, addressed the Council.

Barton Halling, 4424 Gilford Drive, addressed the Council.

Andrea Keller, 4010 Monterey Avenue, addressed the Council.

John Velgersdyk, 4516 Sedum Lane, addressed the Council.

Richard Wipperfurth, 6717 Wooddale Avenue, addressed the Council and read a letter from David Mooty.

Robert Peterson, 5620 Doron Drive, addressed the Council and read a letter from R.J. Smiley, 6205 St. Johns Avenue.

Laura Schleck, 7408 Kellogg Avenue, addressed the Council.

Anna Heirigs, 4529 Gilford Drive, addressed the Council.

James Scattergood, 4948 Poppy Lane, addressed the Council.

Dan Olson, 210 West 40th Street, Minneapolis, addressed the Council.

Felicity Hanson, 7457 West Shore Drive, addressed the Council.

Paul Rosenthal, 4721 Hibiscus Avenue, addressed the Council.

Wayne Vandervort, 4525 Gilford Drive, addressed the Council.

Paul Meierant, 6317 Mildred Avenue, addressed the Council.

Jerry Erickson, 6325 Mildred Avenue, addressed the Council.

Daniel Ousky, 4412 Gilford Drive, addressed the Council.

Tim Nasby 7408 West Shore Drive, addressed the Council.

Member Swenson made a motion, seconded by Member Sprague, to close the public hearing.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

The Council and staff addressed issues raised during public testimony including timing of a formal EAW response, ability to build an executive course at Braemar, options to use Tax Increment Financing, marketing of Braemar and Fred Richards Golf Courses, consultant prepared proforma, and benefit of master planning. Mr. Neal stated the goal of the study was not to figure out a way to close Fred Richards Golf Course, as that would be a loss to the entire community, but to address the Golf Enterprise deficit and financial sustainability. He explained if the parameter was to not borrow more

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money and to make golf improvements with golf revenue, there were no funds available to even do master planning given the current state of the Golf Enterprise. Mr. Neal explained that because of this, the only funding source to do master planning was not doing something else scheduled in the Capital Improvement Plan. The strategy was to identify operating expenses the City could net out and leverage to fund a driving range expansion that all agree would drive cash flow. That cash flow could then be used for a master plan and new debt financing.

Ms. Kattreh explained that NGF was directed to not look at closing any golf courses or staff cuts when preparing its study and to determine the best course of operations under existing conditions. She stated the issues of pacing/walkability and playability, under the plan presented for the repurposed Par 3 course, would be significantly increased. The Council agreed the issue was how to best leverage the City's golf resources.

Member Sprague made a motion, seconded by Member Bennett, to table consideration of the golf operations proposal and recommendation to close Fred Richards Golf Course to March 18, 2014, to allow time for staff to prepare a response to public testimony and Council comments.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

The meeting recessed at 10:07 p.m. and reconvened at 10:11 p.m.

VII. COMMUNITY COMMENT

No one appeared to comment.

VIII. REPORTS / RECOMMENDATIONS

VIII.A. ORDINANCE NO. 2014-03 AMENDING CHAPTER 2 OF EDINA CODE CONCERNING BOARDS AND COMMISSIONS – ADOPTED

Clerk Mangen presented the draft ordinance that would create another position on the Energy and Environment Commission and staff's recommendation to waive Second Reading to facilitate the appointment. The Council discussed the recommendation, optimal group size, and desire to encompass highly qualified members. **Member Swenson made a motion to grant First and waive Second Reading adopting Ordinance No. 2014-03 Amending the Edina City Code Concerning the Energy & Environment Commission. Member Bennett seconded the motion.**

Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VIII.B. EDINA COMMUNITY HEALTH BOARD SEAT – STATE COMMUNITY HEALTH SERVICES ADVISORY COUNCIL – REFERRED TO THE COMMUNITY HEALTH BOARD FOR RECOMMENDATION

Community Health Administrator Brown requested the Council's consideration of an appointment to the Edina Community Health Board seat on the State Community Health Services Advisory Committee. It was noted the City's previous representative was a staff member. The Council discussed the appointment. **The consensus of the Council was to solicit a recommendation from the Community Health Board on nomination to the State Community Health Services Advisory Committee.**

VIII.C. RESOLUTION NO. 2014-26 ADOPTED – ACCEPTING VARIOUS DONATIONS

Mayor Hovland explained that in order to comply with State Statutes; all donations to the City must be adopted by Resolution and approved by four favorable votes of the Council accepting the

donations. **Member Bennett introduced and moved adoption of Resolution No. 2014-26 accepting various donations.** Member Brindle seconded the motion.

Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VIII.D. 50TH & FRANCE AVENUE PARKING RAMPS AND RELATED STREETScape IMPROVEMENT NO. P-23, RESOLUTION NO. 2014-18 – ADOPTED

Economic Development Manager Neuendorf explained that the content of the feasibility study, draft resolution, and staff report had not materially changed since the February 18, 2014, public hearing. However, Ordinance 2014-02 had been updated to address concerns expressed by the Council.

The Council thanked staff for the level of detail and specificity provided in the updated parking plan. Mr. Neuendorf noted enforcement language that had been added so if employees chose to park in the ramp, a permit was required and failure to purchase a permit was a violation. He reviewed adjustments made that included time restrictions and simplified fee structure.

Member Swenson introduced and moved adoption of Resolution No. 2014-18 Ordering Improvement No. P-23, 50th and France Parking and Wayfinding Improvements. Member Bennett seconded the motion.

Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VIII.E. SECOND READING GRANTED: PARKING PERMIT POLICY AND FEES IN 50TH & FRANCE COMMERCIAL DISTRICT, ORDINANCE NO. 2014-02 – ADOPTED; AND, PARKING TIME LIMITS FOR MUNICIPAL PARKING FACILITIES, RESOLUTION NO. 2014-27 – ADOPTED

Mr. Neuendorf described methods of enforcement. **Member Swenson made a motion to grant Second Reading adopting Ordinance No. 2014-02, Amending Chapters 2 and 24 of the Edina City Code concerning Permits for Municipal Parking Facilities and adoption of Resolution No. 2014-27 Establishing Parking Time Limits for Municipal Parking Facilities.** Member Bennett seconded the motion.

Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VIII.F. APPOINTMENTS TO ADVISORY BOARDS AND COMMISSIONS – RATIFIED

Mayor Hovland presented a slate of appointments to Advisory Boards and Commissions. **Member Bennett made a motion, seconded by Member Sprague, to appoint the persons selected by the council to the boards and commissions listed below. Art Center Board: Anne Miller to a three-year term ending February 1, 2017; Board of Appeals & Equalization: Scott Smith and Alex Schlichter both to one-year terms ending February 1, 2015; Community Health Commission: Ginny Ogle and Michael Sackett to three-year terms ending February 1, 2017; Construction Board of Appeals: Doug Hall to a three-year term ending February 1, 2017; Energy & Environment Commission: Louis Waddick to a one-year term ending February 1, 2015 and William Glahn to a three-year term ending February 1, 2017; Heritage Preservation Board: Bruce McLellan to a two year term ending February 1, 2016; Human Rights & Relations Commission: Ellen Kennedy, Tiffany Sanders, and Derek Carter to three-year terms ending February 1, 2017; Park Board: Thomas Downing to a one year term ending February 1, 2015, Gerard Greene and Brenda McCormick to three-year terms ending February 1,**

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2017; Planning Commission: Susan Lee to a one year term ending February 1, 2015 and JoAnn Olsen to a three-year term ending February 1, 2017; and, Transportation Commission: Larry Olson to a two-year term ending February 1, 2016; and reappointing to the Transportation Commission: Dawn Spanhake to a two year term ending February 1, 2016.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland
Motion carried.

IX. CORRESPONDENCE AND PETITIONS

IX.A. CORRESPONDENCE

Mayor Hovland acknowledged the Council's receipt of various correspondence.

IX.B. MINUTES:

1. ENERGY & ENVIRONMENT COMMISSION, JANUARY 9, 2014

Informational; no action required.

X. AVIATION NOISE UPDATE – Received

XI. MAYOR AND COUNCIL COMMENTS – Received

XII. MANAGER'S COMMENTS – Received

XIII. ADJOURNMENT

There being no further business on the Council Agenda, Mayor Hovland declared the meeting adjourned at 11:04 p.m.

Respectfully submitted,

Debra A. Mangen, City Clerk

Minutes approved by Edina City Council, March 18, 2014.

James B. Hovland, Mayor

Video Copy of the March 4, 2014, meeting available.